

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

IN RE:)
)
MONICA OBREGON,) CASE NO. 10-22641 JPK
) Chapter 13
Debtor.)

ORDER REGARDING OBJECTION TO CLAIM #1 ("OBJECTION")

The Objection was filed by the debtor on November 19, 2010; it asserts that the claim of Sterling, Inc. should be deemed a general unsecured claim because the items by which it is purportedly secured – a ring and a watch – “are no longer in debtor’s possession but were taken by the person to whom she was engaged at that time”. The claim has a *prima facie* validity which the mere statement in the Objection does not overcome. However, if the property did not constitute property of the estate on the date of filing of the petition, the secured status of the claim would not be able to be sustained pursuant to 11 U.S.C. § 506(a). If the subject property was given by the debtor to another person, or was stolen from the debtor by another person, then it would not constitute property of the estate. However, if the subject property was merely in the possession of another person and the debtor still is able to locate the property and arrange for its return, it is property of the estate.

IT IS ORDERED that a hearing will be held on **February 14, 2011, at 3:00 P.M.** at which the debtor Monica Obregon shall personally appear, to address the foregoing issues.

Dated at Hammond, Indiana on January 12, 2011.

/s/ J. Philip Klingeberger
J. Philip Klingeberger, Judge
United States Bankruptcy Court

Distribution:

Debtor, Attorney for Debtor
Trustee, US Trustee
Sterling Inc., dba Kay Jewelers, c/o Weltman Weinberg & Reis, 525 Vine Street #800,
Cincinnati OH 45202